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Some measures to improve overall performance of the United Nations system at the country level, Part I: a short history of United Nations reform in development

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Some measures to improve overall performance of the United Nations system at the country level, Part I: a short history of United Nations reform in development" (JIU/REP/2005/2).

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SOME MEASURES TO IMPROVE OVERALL PERFORMANCE OF THE UNITED NATIONS SYSTEM AT THE COUNTRY LEVEL

Part I

A SHORT HISTORY OF UNITED NATIONS REFORM IN DEVELOPMENT

Prepared by

Doris Bertrand

Joint Inspection Unit

Geneva 2005

United Nations

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In accordance with Article 11.2 of the JIU Statute, this report has been "finalized after consultation among the Inspectors so as to test recommendations being made against the collective wisdom of the Unit".

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ABBREVIATIONS and ACRONYMS

BWI	Bretton Woods institutions
CCA	Common Country Assessment
CEB	United Nations System Chief Executives Board for Coordination (formerly ACC)
CPIA	Country Policy and Institutional Assessment (World Bank)
DAC	Development Assistance Committee (OECD)
DESA	Department of Economic and Social Affairs (United Nations)
ECHA	Executive Committee for Humanitarian Affairs (UNHCR)
EPTA	Expanded Programme of Technical Assistance
EC	European Communities
IFIs	International Financial institutions
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development
TCPR	Triennial comprehensive policy review of operational activities for development of th United Nations system
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDP	United Nations Development Programme
WFP	World Food Programme

EXECUTIVE SUMMARY

A. Measured by funding levels, the United Nations, its funds, programmes and specialized agencies play only a modest role in international development. The United Nations, its funds, programmes and specialized agencies account for only US$ 4,705 million in members' core contribution, out of the latest published Official Development Assistance (ODA) figure of US$ 69 billion.[1] This is less than 7 per cent of net ODA, not including the amounts at the disposal of the Bretton Woods institutions (BWI) for both lending and grant assistance. The strength of the United Nations in development lies in promoting a people-centred and comprehensive approach to development, upholding values such as universality, multilateralism, neutrality, objectivity, flexibility and the ability to use grant resources flexibly in the interest of partner countries.[2] The relevance of its technical assistance and operational activities, exercised in 135 countries, is perceived as its ability to link national and international goals, both in advice and implementation. United Nations system development cooperation is devoid of conditionality in the classic sense of gaining influence and power to serve the interests of the donor community. One of the major contributions of the United Nations has been to define and rally partners around an agreed international development agenda, through the holding of international conferences, the formulation of action plans, and last but not least, the Millennium Summit and the Millennium Declaration. It has been able to forge alliances with other stronger partners – the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC)[3] members and BWI - to assist developing countries in their fight against inequality and poverty, and has also continuously pleaded in favour of more resources for development.

B. "In a world where there is greater pressure for high-quality, collective support for truly genuinely locally-owned strategies and systems, with scaled up sector programmes and budget support" for achieving the international development agenda, as expressed, inter alia, in the Millennium Development Goals, "the United Nations systems' own coherence on the ground will be even more essential". The United Nations funds, programmes and specialized agencies engaged in development matters "need to find their place in the evolving architecture".[4] The challenge is considerable if the United Nations system is to arrive, as it should, at providing a coherent response to the priority needs of the partner countries within the wider context of all the other significant development players. It will mean the need to open a transparent discussion within the United Nations system organizations and with other significant players such as BWI, bilateral donors and regional actors, to better clarify the respective roles of each other's based on the recognition of each others clear comparative advantage.

C. The implementation of the agreed development agenda continues to be hampered by the existence of a multitude of different actors (bilateral, regional and multilateral) with different decision-making structures, policies, procedures, institutional and management cultures, not counting the numerous international and national non-governmental organizations (NGOs) which are also engaged in

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[1] Richard Manning, "2004 Development Co-operation Report", OECD, 2005, vol. 1. The latest ODA figure concerns 2003. According to information received from the Development Directorate of OECD, contributions to BWI for development purposes are lower than to the United Nations system, because those institutions also draw on the proceeds of their previous lending, and in the case of IBRD, on the international capital market. Thus the total amount of ODA contributed by DAC members to the World Bank and IMF combined was US$ 3.7 billion in 2003. Total gross lending by those institutions was, however, much higher than this: US$ 10.6 billion from IBRD (non-concessional), US$ 6.9 billion from IDA (concessional) and US$ 1.2 billion from IMF (concessional flows only, i.e. PGRF and HIPC relief). Preliminary figures available for net ODA in 2004 indicate a considerable increase, that is US$ 78.6 billion of which US$ 25.1 billion or 31,9% is considered multilateral.

[2] "Triennial comprehensive policy review of operational activities for development of the United Nations system", report of the Secretary-General, 28 May 2004, paras. 11 and 17. In the most recent resolution on TCPR, A/RES/59/250 of 17 December 2004, para. 2 of I. Introduction reaffirms "the fundamental characteristics of the operational activities of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the development needs of recipient countries in a flexible manner … for the benefit of recipient countries" at their request and "in accordance with their own policies and priorities for development".

[3] For the current membership of OECD/DAC, see website: http://www.oecd.org/dac.

[4] Richard Manning, "ODA Trend and Implications for the United Nations system at Country Level" Letter to Deputy Secretary-General Louise Fréchette, dated 18 October 2004, as input for the October Retreat of the United Nations Chief Executives Board for Coordination (CEB).

international development cooperation. The United Nations, its funds, programmes and specialized agencies with their variety of decision-making bodies, technical assistance projects, programme delivery mechanisms and accountability systems have not always been good examples of coherence and consistency.

D. The need to correct the deficiencies stemming from these diversified structures was realized early on. Indeed, for the last 50 years various commissions, ad hoc and eminent persons groups, as well as many academics, have tried to reform the United Nations system in general, and the United Nations development system in particular, and have identified the lacunae therein with a view to rendering it more efficient. As many of these reports and their recommendations remain valid regarding both analysis and corrective action, Part I and its Annex lists the most important reform proposals, with special emphasis on those regarding development matters.

E. The situation changed in 1997 when the United Nations Secretary-General introduced his reform agenda and BWI engaged in a parallel reform process,[5] both of which seem to have fallen on more fertile ground. The fact that poverty reduction has been accepted by the international development community as the central objective of the international development agenda has contributed to, and opened up, new possibilities for the strengthening of existing partnerships and working more closely together in policy making, planning and implementation.

F. Past reform proposals have also addressed the question of whether the architecture of the system is adequate for the tasks it is meant to perform in a changing international context,[6] and offered some solutions. It seems unlikely that the international community will take up the challenge in the near future to fundamentally review the existing architecture of international organizations and with it the United Nations system (as represented in the United Nations System Chief Executives Board for Coordination (CEB), which includes BWI). The political will to address this issue does not seem to exist at present. This might change, at which time it will be important to enable Member States to revisit earlier reform proposals in an easily accessible form, which the present report recommends.

G. Central issues such as the relationships between the specialized agencies and the rest of the United Nations development system will thus most likely remain unchanged for the time being, and the original mandates and governing structures are unlikely to be fundamentally overhauled. The issue then is how to define more clearly the respective roles of the United Nations funds, programmes and specialized agencies in development and technical assistance, in order to organize the working relations of all parts of the United Nations development system, including BWI, to optimize efficiency in planning, programming and implementation to the benefit of partner countries, especially on the ground. It is already recognized that the starting point of United Nations reform at the country level has to be a common coherent programme firmly grounded in national priorities and responding to national needs.[7]

H. Against the background of emerging trends in development, this report will address some selected issues regarding the operational activities of the United Nations system, especially as they relate to performance at the country level, and recommend measures to further improve its efficiency. Some issues have been raised in the one or other context, even received support, but have not been fully translated into operational realities on the ground. In the opinion of the Inspector, the issues addressed in this report and the recommendations made, will contribute to making the step change that was called

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[5] Amply described in JIU report "The results approach in the United Nations: Implementing the United Nations Millennium Declaration", JIU/REP/2002/2, Geneva 2002, Part Two: A: Reform of the United Nations, paras. 84-87; and B: Parallel Reform Efforts in the BWI, paras. 88-92.

[6] Most recently also in "Implementation of the United Nations Millennium Declaration", report of the Secretary-General, A/58/323, 2 September 2003, para. 91.

[7] "Towards a more effective United Nations at the Country Level", Executive Summary of CEB retreat held on 29 October, 2004, New York, page 4.

for in a CEB retreat at the end of 2004, in as much as they correspond to the challenges of current analyses and resolutions.[8]

I. Due to page limitation constraints, this report comprises two parts, the first of which deals with the history of reform of the United Nations, with special emphasis on operational activities. Part II addresses the following issues and formulates recommendations to improve them:

- Fostering a culture of partnership for improved analysis, planning, programme implementation and results;
- Simplification and harmonization of procedures;
- Rationalizing field presence;
- Monitoring progress in operational activities for development;
- Measures to improve transparency.

J. Parts I and II are conceived to be read together. Each part contains its own recommendations.

K. This report will not deal with the work of the United Nations system in countries in transition from relief to development, which has been addressed and undertaken by the United Nations Development Group (UNDG)/Executive Committee on Humanitarian Assistance (ECHA) Working Group on Transition Issues and the report of the High-level Panel on Threats, Challenges and Change.[9] It is, however, worth mentioning that in these countries the United Nations and BWI have been closely and effectively working together on shared analyses, results-based planning, resource mobilization and fund management, which provides a solid basis from which to draw lessons for working together in other programme countries.

RECOMMENDATION FOR PART I

Institutional memory related to the United Nations history of reform

Recommendation 1

<u>The General Assembly should request the Secretary-General</u> to provide on the United Nations website (http://www.un.org) a full inventory of all the reform proposals of the United Nations system made to date. This could be part of the United Nations Intellectual History Project (see para. 28).

[8] The area of reform being a constantly changing scene, almost any report on the matter is likely to have omissions or dated elements. The cut-off date for research in this report is February 2005.

[9] "A more secure world: Our shared responsibility", Report of the High-level Panel on Threats, Challenges and Change, A/59/565, 2 December 2004 and "Background Note for the Joint Meeting of the UNDP/UNFPA Executive Boards", January 2005, for the agenda item: Transition from Relief to Development.

INTRODUCTION

1. "For most of the world's citizens, the relevance, capacity and effectiveness of the United Nations are seen through the prism of their experience with United Nations staff and activities in their home country."[10] Development effectiveness hinges on the capacity of the international aid community to interact more effectively at the country level and to bring about results that benefit people. The need for the United Nations system to work together and to coordinate more proactively for better results at the country level has never been more acutely felt than it is today, since the adoption of an outcome-focused management approach throughout the system. Bringing more cohesion to the functioning of the United Nations system in development cooperation at the country level, with regard to both planning and implementation, is seen as key to improving assistance to partner developing countries.

2. Concerns for improved development cooperation capable of addressing the manifold pressing needs of developing countries are not new, nor is there a lack of analytical reports and reform proposals, as will be seen in Chapter I of this report. New, however, is a seemingly stronger resolve to tackle the problems identified in the Secretary-General's reform of 1997.

3. The Secretary-General's reform of 1997, the multitude of resolutions in the context of the revitalization of the United Nations Economic and Social Council and the triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR), as well as outcome documents of major conferences (such as the Monterrey Consensus),[11] have addressed the issue of better cooperation, coordination, interaction, synergy, coherence and consistency within the United Nations system. The Millennium Declaration extended and renewed this call explicitly to encompass other members of the United Nations system, as represented in CEB,[12] with a view to providing Member States with enhanced assistance in their quest to attain the ambitious Millennium Development Goals. A stated goal of the road map of the Secretary-General[13] is indeed to ensure greater policy coherence and better cooperation among members of CEB and other multilateral bodies.

4. **The Rome Declaration on Harmonization**, adopted in early 2003 by the heads of multilateral and bilateral development institutions and representatives of the International Monetary Fund (IMF), other multilateral financial institutions and partner countries, made it clear that the harmonization of operational policies, procedures and practices of all the above-mentioned institutions with those of partner country systems is key to the further improvement of development effectiveness, and established an agenda and timetable to review progress in 2005. The **Paris High-Level Forum on Aid Effectiveness: Harmonisation, Alignment, and Results,** held 28 February-2 March 2005, has recognized that considerable progress has been made by both multilateral and bilateral donor institutions, but recognized that much remains to be done to translate these commitments into operational realities on the ground, and to further align policies and procedures with partner countries' systems, as this would impact on the acceleration of the achievement of the Millennium Development Goals. The **Paris Declaration on Aid Effectiveness,** adopted in March 2005, reaffirmed the "resolve to take far-reaching and monitorable actions to reform the ways [to] deliver and manage aid".

5. Central issues such as the relationships between the specialized agencies and the rest of the United Nations development system will remain unchanged for the time being. Since the original mandates and governing structures will not be fundamentally overhauled, the question then is how to organize the working relations of all the parts of the United Nations development system, including BWI, in

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[10] "Strengthening of the United Nations: an agenda for further change", report of the Secretary-General, A/57/387, 9 September 2002, para. 116.

[11] "Report of the International Conference on Financing for Development", A/CONF.198/11, Mexico, March 2002, annex of resolution: Monterrey Consensus of the International Conference on Financing for Development, para. 43.

[12] See membership of CEB, http://ceb.unsystem.org/membership.htm.

[13] "Road map towards the implementation of the United Nations Millennium Declaration", report of the Secretary-General, A/56/326, 6 September 2001, Goal: "To ensure greater policy coherence and better cooperation between the United Nations, its agencies, the Bretton Woods institutions and the World Trade Organization, as well as other multilateral bodies", para. 291.

such a way as to optimize analysis, programming and implementation on the ground to the benefit of partner countries.

6. This Joint Inspection Unit (JIU) report will look at progress made. As the system is "still at the beginning of a long march towards the 'unity of purpose and action' that Member States seek from it",[14] the report will address issues which will help it to move faster towards that goal.

7. JIU is mandated to look at issues of increased efficiency and effectiveness of the United Nations system and the most rational use of funds. Article 5 of the JIU Statute[15] states that the Unit is to "provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organizations". It has devoted some reports to these issues, the most recent of which from 1996, 1997 and 2002 are "Coordination of policy and programming frameworks for more effective development cooperation",[16] "Strengthening field representation of the United Nations system"[17] and "The results approach in the United Nations: Implementing the United Nations Millennium Declaration"[18] respectively.

8. For the purpose of preparing this report, the Inspector has analysed the existing United Nations documentation, including internal and external research and evaluation studies, and used the experience gained in some field visits made in the context of the JIU report "Achieving the universal primary education goal of the Millennium Declaration: New challenges for development cooperation".[19] During these visits the Inspector had the welcome opportunity to discuss aid coordination as well as simplification and harmonization issues in concrete operational contexts, and exchange views with the respective host government officials, resident coordinators, and representatives of the United Nations country teams, resident bilateral aid missions, BWI and the European Commission (EC). Furthermore, interviews were held with representatives of some United Nations system organizations as well as with staff of the United Nations Department of Economic and Social Affairs (DESA).

9. The author would like to thank all interlocutors in these organizations for their constructive interaction in the course of the elaboration of this report. Many of their valuable suggestions and ideas have helped to shape it in its final form. The comments received indicate a variety of views on the issues raised, due to real or perceived mandate, governance or structure-related obstacles. Special thanks go to my research assistant Mr. Hervé Baudat.

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[14] A/59/85-E/2004/68, op. cit., Executive Summary.

[15] The Statute of the Joint Inspection Unit, approved by the General Assembly in resolution 31/192 of 22 December 1976. See website: http://www.unsystem.org/jiu.

[16] "Coordination of policy and programming frameworks for more effective development cooperation", report of the Joint Inspection Unit, JIU/REP/96/3, Geneva, 1996.

[17] "Strengthening field representation of the United Nations system", report of the Joint Inspection Unit, JIU/REP/97/1, Geneva, 1997.

[18] JIU/REP/2002/2, op. cit.

[19] "Achieving the universal primary education goal of the Millennium Declaration: New challenges for development cooperation", report of the Joint Inspection Unit, JIU/REP/2003/5, Geneva, 2003. Countries visited were Ethiopia, Peru and South Africa.

I. A SHORT HISTORY OF UNITED NATIONS REFORM IN DEVELOPMENT

10. For the purpose of this report three phases of reform in the area of development cooperation have been distinguished.

A. Phase I: 1945 - 1966

11. This is the period immediately following the creation of the United Nations. At that time there was "little awareness ... that the new organization would launch operational activities of a development nature on a long-term basis. Development operations were also relegated to second place by the founders of the various specialized agencies created around the same period to encourage international cooperation of a sectoral kind in areas such as agriculture, education, health and civil aviation".[20] It was in 1948 that the General Assembly decided with resolution 200 (III) to widen United Nations activities in this field "authorizing technical assistance to be carried out by the Secretary-General of the United Nations, in addition to the programme already undertaken by the Specialized Agencies".[21] A significant advance towards development cooperation was made by the creation of the Expanded Programme for Technical Assistance (EPTA) in 1949, financed through annually pledged voluntary contributions. The Special Fund (created in 1958) and later the United Nations Development Programme (UNDP) were financed the same way. This date marked also the accentuation of the eternal debate between centralists and decentralists and the role of the specialized agencies in the context of the newly created organization. This debate is not yet entirely resolved, as specialized agencies were established as autonomous bodies and attempts made in subsequent reform proposals to change this have not succeeded in greatly altering the situation.[22] The creation of new organizations and funds, inter alia the World Food Programme (WFP) in 1961 and the United Nations Conference on Trade and Development (UNCTAD) in 1964, have added further challenges to governance.

B. Phase II: 1966 - 1997

12. This phase is characterized by many attempts to reform the United Nations system with a view to improving the efficiency and effectiveness of development cooperation in general, and technical assistance in particular, to the benefit of the growing number of newly independent nations.

13. It is most instructive to revisit some of the reform studies made in the last 40 years, all of which aimed at rationalizing development cooperation, in particular the United Nations development system,[23] it is surprising to note that they already addressed many of the issues which still preoccupy the international development community today. It is also tempting to speculate that if some of the recommendations had been implemented earlier on, the record of the United Nations development impact and results would have been a better one. **Such a historical excursion also teaches that the institutional memory of the international community is short.**

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[20] Sir Robert Jackson, "A Study of the Capacity of the United Nations Development System"(also called the "Capacity Study"), Geneva 1969, Volume II: Part II, Chapter two: III: The Evolution of United Nations Structure for Development Assistance, paras. 9-10.

[21] Ibid., para. 18.

[22] For a detailed history of development cooperation, such as the evolving relations between UNDP and the specialized agencies, the notions of resident representatives and country programming, see Sir Robert Jackson, op. cit., Volume II: chapter II: The Evolution of United Nations structures for development assistance, and Joachim Mueller, "Reforming the United Nations: The Quiet Revolution", Kluwer Law International, Volume IV, The Hague, 2001 Part I: Chapter 1.2 Focus on development, 1967-1970, and page 9 and following.

[23] For an interesting historical survey of the concept framework of aid for development and the debate between centralists and decentralists see Sir Robert Jackson, op. cit., Volume II, Chapter II: The first twenty-five years.

14. The plethora of reports and commissions listed in the Annex demonstrates that there is a **never-ending institutional temptation to start from scratch, to create new commissions and eminent persons groups** instructed to come up with new concepts and blueprints, rather than to revisit earlier work which, in hindsight, with the changes in time, mood and fashion of the international community, are still relevant and could usefully be implemented. This is particularly the case of two reports, both published in the late 1960s.

15. The first is the report "Partners in development"[24] (also called the Pearson Report), prepared by the Commission on International Development (known as the Pearson Commission),[25] under the leadership of L. B. Pearson, former Prime Minister of Canada. This report merits revisiting also in the light of the findings of the International Conference on Financing for Development, in Monterrey, Mexico in 2002. Much of what has been restated in Monterrey has its traceable source in the Pearson Report.

16. The Pearson Report already eloquently addressed the linkages between trade, debt, financing and technology necessary to create an enabling environment for development and poverty reduction. The **Pearson Commission,** which deplored the lack of results achieved by the international aid system despite its considerable growth, insisted at the time on the need to achieve greater coherence within the aid machinery, and addressed issues of the whole United Nations system, including BWI. The World Bank and IMF were called upon to prepare unified country assessments and ensure consistent policy advice. The United Nations, it was stated, suffered from a proliferation of agencies, which had led in turn to dispersed, and unrelated efforts at the country level. The urgent need to improve coordination was stressed. The recommendation that "the World Bank should hold a conference in 1970 to discuss the creation of improved machinery for co-ordination, establish authoritative estimates of aid requirements, and provide balanced and impartial reviews of donor aid policies and programmes"[26] was not implemented, but still retains its validity, at least to assess whether the strategic advice given by these institutions is yielding the expected results at the country level. Such **strategic review meetings would be particularly important in the context of the poverty and hunger reduction goal of the Millennium Declaration.**[27]

17. The Member States of the World Bank Group showed no great enthusiasm in implementing the far-reaching and innovative proposals of the Pearson commission.

18. The second report, also known as the Capacity Study or Jackson Report, "A Study of the capacity of the United Nations Development System", issued in 1969, looked at the role of the United Nations development system proper.[28] It was in the face of a United Nations system that remained fragmented and hampered in the area of development by a plethora of independently-acting specialized agencies, semi-independent organizations, units and funds, that the Governing Council of UNDP commissioned Sir Robert Jackson to undertake this study, "to assess, first, the capacity of the United Nations system to make effective use of the present resources of the United Nations Development Programme and, second, its capacity to handle a programme approximately double that of the present operation within the next five years".[29] The width and depth of the analysis and the far-sightedness of the recommendations of these two reports, many of which retain their full validity 40 years later, is astounding.[30]

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[24] Joachim Mueller, op. cit. Reference to the Commission on International Development (Pearson Commission, 1969) is made in Volume I-III, Part I: Chapter 2.1, and Part III 4.

[25] Established upon the initiative of the President of the World Bank in 1967.

[26] Joachim Mueller, op. cit., Volume IV, Part I: Chapter 1.2 Focus on development 1967-1970, page 10.

[27] The author has revived this basic idea, albeit adapted to new circumstances, in Recommendation 4 of a report of the Joint Inspection Unit, JIU/REP/2002/2, op. cit., para. 130 and following.

[28] A third report worthwhile re-examining is the "Second Development Decade", which provides, according to Sir Robert Jackson, "governments with the basis for a full-scale review of their policies". Foreword, page (ii).

[29] Sir Robert Jackson, op. cit., Vol. I, Chapter I, para. 1.

[30] The conclusions of the Pearson Commission and those of the Capacity Study when surveying similar problems - and working independently of each other - appear to be very similar. In a letter of Sir Robert Jackson to the President of the Governing Council

19. The terms of reference and methodology[31] of the Capacity Study made clear reference to the need to harmonize the diverse approaches of the various specialized agencies with a view to achieving maximum impact of the programme as a whole. The "study decided that General Assembly resolution 2188 (XXI) enunciated principles which provide admirable objectives for the system as a whole" which, it suggested, should be adopted by all Member States as articles of faith. Such principles[32] retain all their relevance even today.

20. The United Nations development system was described as a "'machine' [with] a marked identity of its own and its power is so great that the question must be asked 'who controls this 'machine'?'". The answer given indicates that the system had "no real 'Headpiece' - no central coordinating organization - which could exercise effective control".[33] It highlighted the need to address these weaknesses if the United Nations was to retain its credibility. Among the lacunae found were: governance problems, competition among specialized agencies, administrative barriers, inter-agency competition, a blurred division of labour, and inefficiencies. In a 2004 report of the Secretary-General to the Economic and Social Council, that is, 35 years later, it is stated: "United Nations development cooperation still faces a complexity of fragmented structures, institutions and decision-making at the country level. There continues to be a paramount need to ensure coherence, harmonization and coordination continues to be of paramount importance."[34]

21. The Capacity Study made far-reaching recommendations to rationalize the United Nations system's development activities, including UNDP, the Economic and Social Council (which, it recommended, should become a policy centre for development of the system to supervise and effectively coordinate the activities of the specialized agencies) and inter-agency coordination.

22. The report pleaded in favour of ownership and partnership, argued against "one size fits all templates and blueprints" for development, and was already in favour of a form of management for results, an approach which has gained relevance only rather recently in the United Nations. It proposed remedial action in the areas of a reported lack of global and country planning and priority setting; delays in project execution; neglect of follow-up; absence of performance appraisals; inadequately qualified staff and lack of training; understaffing of field representation; outdated management techniques and lack of use of adequate information systems. The report, being constructively critical, enjoyed greater support from Member States than the Pearson Report. Consequently, some of the main recommendations were implemented immediately. Others were implemented later on - such as a new system of country programming based on indicative planning figures, and the creation of UNDP resident representatives (later appointed as resident coordinators). The recommendation to consider the establishment of a Director-General for operational activities was adopted in General Assembly resolution 32/197 of 20 December 1977, which created such a post.

23. The success of the reform was limited and hampered by what Sir Robert already referred to as lack of coordination and consistency within the Member States, who were often said to support contradictory proposals in different specialized agencies' executive boards. This situation still prevails.

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of UNDP, Ambassador Agha Shahi, dated 30 September 1969, "capacity" is considered in "terms of achieving effective development". (General Considerations of the Capacity Study, Vol. I, para. 7).

[31] Capacity Study, op. cit., Vol. II, Part V, Appendix One.

[32] Ibid., Vol. I, General Considerations, para. 8. They are: (i) the maximum concentration of resources, at present and increasing levels, on programmes of direct relevance to Member States; (ii) a flexible, prompt and effective response to the specific needs of individual countries and regions, as determined by them, within the limits of available resources; (iii) the minimum burden on the administrative resources of Member States and of members of the United Nations family of organizations; (iv) the evolution of an integrated system of long-term planning on a programme basis; (v) the institution of systematic procedures for evaluating the effectiveness of operational and research activities.

[33] Ibid., Vol. I, Foreword, page iii: "In other words, the machine as a whole has become unmanageable in the strictest use of the word. As a result, it is becoming slower and more unwieldy, like a prehistoric monster".

[34] A/59/85-E/2004/68, op. cit., para. 29.

24. The central recommendation, which was to anchor UNDP firmly as a central financing mechanism for technical cooperation and pre-investment for the whole United Nations system, only partly succeeded. Gradually funds in trusts, technical cooperation programmes, and extra-budgetary or supplementary funding of the United Nations, its funds, programmes and specialized agencies were established. This lack of consistent donor support gradually eroded the concept of UNDP as a central funding and coordinating mechanism, through which the funds for development assistance were originally intended to be channelled and thereafter farmed out to the specialized agencies for implementation in the respective areas of their sectoral and functional concerns.

25. Resistance to change and to the idea of establishing a strong, consolidated and coordinated centre for the development system of the United Nations also came from developing countries. They believed, and some still seem to believe, to a certain extent, that a fragmented system was in their interest as they had better possibilities to control and use it to their benefit.

26. Among other reports worth mentioning is the 1975 report of the Group of Experts on the Structure of the United Nations System entitled **"A new United Nations Structure for Global Economic Co-operation"**, also known from the name of the Chairman as the Gardner Report, which recommended the establishment of a United Nations Development Authority which was to consolidate funds for technical cooperation and pre-investment activities. The **Ad Hoc Committee on the Restructuring of the Economic and Social Sectors** was established by General Assembly resolution 3362 (S-VII) of 16 September 1975 and worked for two years. The recommendations of the Ad Hoc Committee were finally adopted in General Assembly resolution 32/197 of 1977. This resolution took up some of the reform proposals mentioned earlier, notably those made in the Gardner Report, albeit in diluted form, but did not pursue the idea of a United Nations Development Authority.

27. The 1979 report **"North-South: A Programme for Survival" (the North-South report**, also called also the **Brandt report**, named after the then Chancellor of the Federal Republic of Germany who presided over the **Independent Commission on International Development Issues** established in September 1977, is equally thought-provoking. Its ambitious reform proposals on new decision-making procedures, new structures and a comprehensive approach to development, were well received, but finally experienced the same fate as many of the earlier reports. The call for the holding of a summit of world leaders led to the Cancun Meeting in 1981, an initiative of the Federal Chancellor of Austria, Bruno Kreisky, but remained in the words of Mr. Brandt "an isolated episode".[35] Many more reports were issued in this period with relevant and thought-provoking recommendations.[36] Foremost among those were the **Nordic United Nations Projects: The United Nations in Development, 1991**[37] and **its successor of 1996 entitled "the Nordic United Nations Reform Project",**[38] which can be seen as having noticeably influenced reform in the economic and social fields in the recent past. This is due to the fact that they were established and supported by the Nordic countries, which enjoy an undisputed reputation in development cooperation circles regarding their funding levels, commitment to improving aid quality, respect for national ownership and work towards institutionalizing policy coherence.[39] These reports describe in detail the reasons for the

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[35] Joachim Mueller, op cit., Volume IV, page 16.

[36] See Annex of this report for a fuller list of such reform proposals.

[37] "Reform Issues in the Economic and Social Fields - A Nordic Perspective", final report of the Nordic United Nations Project, Stockholm, 1991.

[38] Strengthening the United Nations in the Economic and Social Fields.

[39] Denmark has issued the first of a planned series of reports on how it contributes to the goal of establishing a global partnership for development (the aim of the 8 Millennium Declaration Goals) looking at the policy areas that affect development such as trade, aid, foreign investment and other capital flows, migration, knowledge and technology transfer as well as environment. Other DAC countries such as Belgium, Canada, Finland, Germany, the Netherlands, Norway and Sweden consider adopting such an approach. Sweden passed a law on "integrated global development policy" in January 2004 that calls "for the country's aid, trade, agriculture, environment, migration, security, and other policies to be aligned with the objective of reducing poverty and promoting sustainable development". Work on these issues is being undertaken in DAC as well as by private think tanks and research institutes such as the Center for Global Development and the World Economic Forum. See "Global Monitoring Report 2004

urgency of reforming the United Nations in general and its development system in particular. The reports analyse and continue to deplore the fragmentation of the organizational set up both at headquarters and at field levels, which, they argue, has "blocked the system from reaching a critical mass both in the financial, staff and research capabilities".[40]

28. As can be seen, many of the issues raised and the recommendations made continue to be very relevant and merit reconsideration. At present this is difficult as **the institutional memory in this field is weak and information scattered.** There is at present no single source available from which such information can be easily retrieved. It would seem obvious that an organization should keep track of its reform history in a systematic way, especially as many reform proposals are grounded in inter-governmental and expert commissions and the work of ad hoc groups' created by General Assembly resolutions, and for which funding was provided through regular and extra-budgetary funds. It would thus also be a **matter of good management to keep a comprehensive inventory of the related work and its results.** As Member States will most likely continue the United Nations reform process, it would be useful to provide them with a full inventory readily available in an electronic form. Such an **inventory of past and present United Nations system-wide reform proposals** could be part of the ongoing United Nations Intellectual History Project, to be set up by the Department of Public Information (DPI) in cooperation with other United Nations system organizations. It would be left to the United Nations Secretariat to seek additional assistance through partnering with universities and research institutes, and to fund-raise for this project. **Information once available will provide Member States with food for thought if they want to keep the reform momentum and/or adopt a more ambitious agenda in this regard**. This "United Nations history of system-wide reform" placed on a website would also usefully inform the public of the complexities of the issues and the amount of reflection already available. It would also help researchers, who continue to be interested in the United Nations and its history. **See Recommendation 1**.

29. As can be seen, the past **has been rich in thought and proposals for a revitalized United Nations system** capable of coping with ever-growing demands in the political, economic and social fields, which are finally recognized as being interlinked and to enable it to respond to such challenges as development and the reduction of inequality and poverty. **Many reform proposals maintained that the time had come to consider reviewing the very architecture and mandates of the various constituent parts of the system, and that slight modifications here and there (referred to as a tinkering and a muddle-through approach) would not help the system to perform better.** The Inspector basically shares this opinion.

30. Though progress has been made in the last 50 years, it falls short of the drive for reform that has characterized the period since Secretary-General Kofi Annan took office and presented his reform package in 1997. This reform package does not touch on the fundamental architecture of the system nor on the institutional arrangements between organizations, but builds on some proposals made earlier, the Secretary-General having conferred to them new relevance and authority.

31. The Secretary-General's reform has addressed many issues. This report will only deal with those relating to development, which are considered to be crucial for further progress. This will mainly concern issues relating to the quality of aid, as it is now generally recognized that the international community must pay as much attention to the quality of aid as it does to its quantity.

Policies and Actions for Achieving the Millennium Development Goals and Related Outcomes", the World Bank, 2004, Improving Policy Coherence for Development, page 14 and following. The Center for Global Development has established a "Commitment to Development Index" (CDI), see websites http://www.foreignpolicy.com, Foreign Policy Journal, Issue May/June 2003, and the 2004 CDI can be found http://www.cgdev.org/rankingtherich/home.html.

[40] The Nordic United Nations Project, op. cit., 1991, page 18.

C. Phase III: United Nations reform 1997

32. It is indeed difficult to measure progress in the area of operational activities of the United Nations without making reference to the Secretary-General's reform package of 1997, which initiated a comprehensive reform process in the United Nations and in doing so, had a great impact on operational activities. His report entitled "Renewing the United Nations: A Programme for Reform" (A/51/950), presented on 16 July 1997 to the United Nations General Assembly, aims at no less than a renewal and revitalization of the United Nations with a view to enabling it to carry on its historic mission and effectively face the multiple challenges that lie ahead. The reform seeks to establish a new leadership and management structure, and through it, a culture which is intended to lead to greater unity of purpose, coherence of effort and agility to respond to the goals expressed in the major international conferences and last but not least in the Millennium Declaration. The reform measures have placed emphasis on economic and development issues with the creation of executive committees in the areas of peace and security, economic and social affairs, development cooperation and human affairs (all of them to also address human rights issues).

33. The Secretary-General established the UNDG as the Executive Committee for development cooperation,[41] to lead the process of reform in United Nations development operations. The role of UNDG, which comprises the United Nations programmes, funds and agencies engaged in development and related activities, is to help to enhance and facilitate joint policy formulation, decision making and programme coordination among all United Nations entities involved in development activities. UNDG aims to sharpen the contribution that each member makes towards the overall objectives of the United Nations, with a view to realizing greater management efficiencies. UNDG also seeks to expand effective partnerships with BWI and other organizations engaged in development activities.[42]

34. The United Nations Secretary-General's reform programme also called for the strengthening of United Nations operations at the country level, with a view to improving policy and programme coherence. The establishment of the United Nations Development Assistance Framework (UNDAF) and the Common Country Assessment (CCA) and of UNDG and its Office (UNDGO)[43] were among the key outcomes of the 1997 reforms.

35. UNDG has set itself an agenda that is intended to take the Secretary-General's reform initiatives forward in areas such as programme coordination, harmonization of procedures, strengthening of the resident coordinator system, and rationalization of administrative processes and services. These areas will be explored in Part II of this report, with a view also to ascertaining follow-up of the recommendations of the two JIU reports **"Coordination of Policy and programming frameworks for more effective development cooperation"** (JIU/REP/96/3), and **"Strengthening field representation of the United Nations system"** (JIU/REP/97/1), as indicated in the introduction to this report.

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[41] UNDG was set up as a coordinating mechanism for the implementation of the Secretary-General's reform programme as adopted in Resolution 52/12B with the addition of UNESCO and FAO in 2001, and ILO and UNIDO in 2002, the UNDG now comprises all agencies with resident missions at the country level. The World Bank has joined as an observer. The Membership of UNDG is at present: UNFPA, UNICEF, WFP, UNDP, OHCHR, WHO, UNESCO, FAO, UNIDO, ILO, DESA, UNDPI, UNOPS, UNAIDS, UNCTAD, UN-HABITAT, UNIFEM, UNODC, UNHCR, UNEP, OHRLLS, IFAD, Regional Commissions. Observer status: Special Representative of the Secretary General for Children and Armed Conflict, UNFIP, OCHA, Spokesman for the Secretary-General, Director - Office of the Deputy Secretary-General, and the World Bank.

[42] "A Framework for Change", report from the United Nations Development Group, page 2, see also website: http://www.undg.org/.

[43] The establishment of the United Nations Development Group Office (UNDGO) fulfils the dual role of serving as a Secretariat to the UNDG and its Executive Committee and to support UNDP as funder and manager of the Resident Coordinator system for which core funding is being provided by UNDP and the other UNDG Executive Committee members who contribute through the assignment of senior staff from UNICEF, UNFPA and WFP. The structure of the UNDGO can be found on the website: http://www.undg.org/.

D. Emerging trends in development cooperation to set the stage

36. As the choice of issues dealt with in Part II of this report has been made against the background of emerging trends in development cooperation, which will impact on the United Nations and its operational activities, it might be useful to outline them. They are based on the personal views of the present Chairman of OECD (DAC) as presented to CEB at the end of 2004.[44]

- Further increase of the volume of aid, amounting to an ODA figure of US$ 100 billion (at 2003 prices) by 2010, with the share of assistance (some 30 per cent) channelled through multilateral agencies remaining more-or-less at the same level. The United Nations might even lose some share compared to the International Financial institutions (IFI).[45]
- Likelihood of a marked increase of aid to sub-Saharan Africa, particularly to the better performers as measured by the World Bank's Country Policy and Institutional Assessment (CPIA), to be provided in pragmatic form, notably through transfers into the partner country's budget "whether on a sector or an economy-wide basis", linked to Poverty Reduction Strategies where they exist.
- Mounting pressure by the donor community for greater harmonization and alignment,[46] with a view to increasing efficiency and effectiveness.

37. This heightened "pressure for high-quality, collective support for genuinely locally-owned strategies and systems, with scaled up sector programmes and budget support for achieving the Millennium Development Goals", advocated also in the United Nations Millennium Project, 2005 report,[47] must lead the United Nations system organizations to strive for greater coherence and consistency of its operations, particularly in the field, to maintain credibility and further funding support. As an increasing number of bilateral donors are moving more and more into sector and budget support it will be key for the United Nations organizations to review the existing policies and procedures with a view to be able to join in these new partnership modalities. Partnerships with other actors of the international development community are thus key.

38. **Therefore, it is important for the United Nations system to increase the quality of its partnerships with the other actors in the international development community with a view to improving further planning and progamme coherence at the country level.**

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[44] "ODA Trends and Implications for the United Nations system at Country Level", Note RM (04) 109, prepared by the DAC Chairman, Richard Manning for the CEB Retreat October 2004, which presents "personal views, and in no way commit members of the DAC."

[45] This excludes further commitments by governments that have made no forward commitments beyond 2006 and any contribution deriving from any new and innovative sources of financing such as global taxation or the International Finance Facility.

[46] "ODA Trends and Implications …", op. cit. At the political level the Development Committee committed members to "translate the agreements [on harmonization, alignment, streamlined conditionality and results focus and use of country systems where appropriate] into clear and specific commitments and timetables" and called for "the development of indicators and benchmarks to monitor the participation of all partners in this effort at country level."

[47] See footnote 31 of Part II, page 3 and "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals", United Nations Millennium Project, 2005, Overview.

ANNEX

Most of the important reform proposals since 1978 can be found in:

(1) Mueller, Joachim (ed.). **Reforming the United Nations: New Initiatives and Past Efforts**, The Hague, Kluwer Law International, 1997, Vol. I to III. and **Reforming the United Nations: The Quiet Revolution**, The Hague, Kluwer Law International, 2001, Vol. IV. These volumes provide the texts of most reports and for most of them a description of their content.

List of some reform proposals since 1978, in date order:

(2) United States. Congress. Senate. Committee on Foreign Relations. **Proposals for United Nations reform : report pursuant to section 503 of the Foreign relations authorization act, fiscal year 1978 (Public law 95-105) to the Committee on Foreign Relations, United States Senate.** Washington D.C., U.S. Government Printing Offices, 1978 (President Jimmy Carter Report).

(3) Independent Commission on Disarmament and Security Issues. **Common Security: A Blueprint for Survival**. New York, Simon and Schuster, 1982 (Palme Report).

(4) **A world without a United Nations - What would happen if the United Nations shut down?** Washington, D.C., The Heritage Foundation 1984.

(5) Nerfin, Marc. **The future of the United Nations System: Some questions on the occasion of an anniversary.** Development Dialogue, 1985:1.

(6) Joint Inspection Unit of the United Nations System. **Some reflections on reform of the United Nations**. Prepared by Maurice Bertrand. Geneva, 1985 (JIU/REP/85/9).

(7) United Nations. **Report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations**, 1986. This "Group of 18" was chaired by Ambassador T. Vraalsen.

(8) World Commission on Environment and Development. **Our Common Future**. New York, Oxford University Press, 1987 (Brundtland Report).

(9) Fromuth, Peter J. (ed.). **A Successor Vision: The United Nations of Tomorrow"**, New York United Nations Association of the United States of America (UNA-USA), 1988.

(10) Independent Commission of the South on Development Issues. **The Challenge to the South: The Report of the South Commission.** Oxford University Press, 1990 (Nyerere Report).

(11) **The United Nations in Development: Reform Issues in the Economic and Social Fields; A Nordic Perspective.** The Nordic United Nations Project, 1991.

(12) **Common Responsibilities in the 1990's: The Stockholm Initiative on Global Security and Governance**. (Stockholm Initiative Report) Stockholm, PMO, 1991.

(13) Society for International Development North South Roundtable. **Strengthening the United Nations for the 1990s**. New York, The Roundtable, 1991.

(14) Stanley Foundation. **The United Nations: Structure and leadership for a new era.** Report of the 22nd United Nations Issues Conference, Muscatine, Iowa, Stanley Foundation, 1991.

(15) Wilenski, Peter. **Five Major Areas of Reform,** New York, 1991.

(16) United Nations. **An Agenda for Peace: Preventive Diplomacy, Peacemaking and Peace-keeping,** report of the Secretary-General, Mr. Boutros Boutros-Ghali, New York, 1992

(17) United Nations, **Enhancing International Co-operation for Development: The Role of the United Nations**, report of the Secretary-General Mr. Boutros Boutros-Ghali, New York,1992.

(18) South Centre. **The United Nations at a Critical Crossroads: Time for the South to Act.** Geneva, 1992.

(19) United States Commission on Improving the Effectiveness of the United Nations. **Defining Purpose: The United Nations and the Health of Nations.** Final Report of the United States Commission on Improving the Effectiveness of the United Nations. Washington, D.C., 1993.

(20) Ford Foundation (Ogata/Volcker Group). **Financing an Effective United Nations.** Report of the Independent Advisory Group on United Nations Financing. New York, Ford Foundation, 1993.

(21) Childers, Erskine and Urquhart, Brian. **Renewing the United Nations System.** Uppsala, Sweden, Dag Hammarskjöld Foundation, 1994.

(22) United Nations. **An agenda for development,** and **An agenda for development: recommendations** both reports of the Secretary-General, Mr. Boutros Boutros-Ghali, New York,1994.

(23) Commission on Global Governance. **Our Global Neighbourhood**. The Report of the Commission on Global Governance. Co-chaired by Ingvar Carlsson and Shridath Ramphal, New York, Oxford University Press, 1995.

(24) Independent Working Group on the Future of the United Nations. **The United Nations in its second half-century**. Co-chaired by Moeen Qureshi and Richard von Weizsäcker. New York, Ford Foundation, 1995.

(25) Russet, Bruce and Kennedy, Paul. **Reforming the United Nations,** Foreign Affairs, Vol.74, No.5, September 1995, pp.56-71.

(26) Huefner, Klaus, (ed.). **Agenda for Change: New tasks for the United Nations.** Opladen, Germany, Leske + Budrich, 1995.

(27) Urquhart, Brian and Childers, Erskine. **A World in Need of Leadership: Tomorrow's United Nations; A Fresh Appraisal**. 2nd ed. Uppsala, Sweden, Dag Hammarskjöld Foundation, 1996.

(28) Urquhart, Brian and Childers, Erskine. **Towards a More Effective United Nations: two studies**. Uppsala, Sweden, Dag Hammarskjöld Foundation, 1996.

(29) **Multilateralism and United Nations reform.** Summit of the G7, Lyon, 27-29 June 1996.

(30) **For a strong and democratic United Nations: A South perspective on UN reform.** Geneva, South Centre, 1996.

(31) United Nations. **Report of the Open-ended High-level Working Group on the Strengthening of the United Nations System,** New York, 1996. This Group was called the "Essy Group" after the President of the General Assembly.

(32) Bureau of International Organization Affairs. United States Department of State. **U.S. Views on Reform Measures Necessary for Strengthening the United Nations System.** Washington D.C., 20 February 1996. http://www.state.gov/www/issues/un_reform.html.

(33) Nordic U.N. Project. **Strengthening the United Nations in the Economic and Social Fields.** December 1997, a follow up of the reform initiatives of 1988 and 1991.

(34) United Nations. **Management and Organizational Measures** and **Renewing the United Nations: A Programme for Reform,** both reports of the Secretary-General, Mr. Kofi A. Annan, New York, 1997

(35) Bertrand, Maurice and Warner, Daniel (ed.). **A New Charter for a Worldwide Organization?** The Hague, Kluwer Law International, 1997.